



California Recovery Task Force

Opening Statement of Herb K. Schultz

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And
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Management, Organization and Procurement Joint Los Angeles Field Hearing

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INTRODUCTION

Good afternoon Chairman Towns, Ranking Member Issa, Chairwoman Watson, Ranking Member Bilbray and other Members.

I would like to thank you for inviting me here today to discuss the American Recovery and Reinvestment Act. My name is Herb K. Schultz and I'm Senior Advisor to the Governor and Director of the California Recovery Task Force.

FUNDING BREAKDOWN

After this historic bill was signed, the Governor acted swiftly, creating the California Recovery Task Force: it's made up of the brightest minds from our state, who represent over 30 departments and agencies to work in partnership with key stakeholders to get funds out quickly and efficiently to Californians.

The Recovery Act requires extraordinary coordination at all levels of government and the Task Force works in partnership with each level to ensure that the benefits of the dozens of programs get to organizations and individuals. We are working every day to provide unprecedented levels of transparency and, ultimately, get California's economy back on track. The Governor announced only a couple of weeks ago that California has funded approximately 150,000 jobs from our stimulus efforts.

The Task Force's goal is to provide unparalleled oversight and implementation of the \$85 billion expected in cash and tax benefits.

The Task Force immediately jumped into action, preparing the state for the largest infusion of federal funds that the state has experienced to date. Through the end of 2009, \$26.6 billion has been awarded to state entities, with \$13.8 billion, or roughly half of that, being spent to extend the safety net to millions of Californians, such as through Medi-Cal, Food Stamps and unemployment insurance. The remaining \$12.8 billion has been committed to contracts, grants and loans – of which \$6.3 billion has already been spent – and is out working on the street.

ADDITIONAL OVERSIGHT

With the significant funding involved, Governor Schwarzenegger quickly appointed the first-in-the-nation Recovery Act Inspector General, Laura Chick. The Task Force is working in partnership with Inspector General Chick, along with the Bureau of State Audits, State Controller's Office, The Recovery Accountability and Transparency Board, The Office of Management and Budget and the Government Accountability Office, to make sure California's stimulus funding is spent the right way.

STAKEHOLDER MEETINGS

Since the beginning, the Task Force members and staff have also taken action and met with numerous stakeholders to educate and inform them of opportunities. To date more than 45,000 people, representing local government, energy groups, non-profits, education organizations, health care stakeholders and businesses, have met with the Task Force.

WHERE WE ARE NOW

By coordinating efforts to put forth the most competitive applications possible, California has experienced a great deal of success in taking advantage of the discretionary opportunities.

To date, we've:

- Been awarded more than \$2.3 billion for High Speed Rail – more than any other state
- Received nearly \$70 million for Health Information Technology and \$31 million for health jobs and job training
- Put 40,000 young people into summer jobs
- Delivered more than 650,000 warm meals to seniors
- Kept in force 650 police officers providing important public safety for our communities

And more than 11,000 low-income Californians have been hired by employers who are subsidized by the Recovery Act.

INDIVIDUAL STORIES

But these “big picture” numbers fail to tell many of the individual stories of how the Recovery Act has impacted real Californians, like Bart.

Bart was laid off from his construction job and without a job for over six months. With little savings left and months away from losing his home, Bart went from worrying about how to feed his family to being hired. He is now working to extend State Route 905 in San Diego, funded in part by Recovery Act dollars.

This is a real person and the Recovery Act is making a real difference.

CHALLENGES

Yes, there have been growing pains along the way. Several departments greatly expanded existing programs and also developed new ones. In addition, many federal guidelines have been changing throughout the life of the program.

The Weatherization Program, for example, faced significant challenges early on but has successfully reorganized, added key resources, streamlined contract approvals and improved internal controls that make us confident they will meet their program's goal. 94 percent of units are under contract and we're working hard to get remaining areas contracted. To date, after the slow start, the department has weatherized and completed 849 units with an additional 1,000 in the pipeline and approximately 2,200 units scheduled to begin soon.

The Recovery Act also allocated a significant share of funding toward energy projects. The Task Force recognized early on that considerable changes would need to be made in order for Recovery Act funding to be successfully spent. To date, 68 percent of the Energy Program funds are committed. While the State Energy Program existed prior to the Recovery Act, federal funding for the program grew from \$3 million in 2008 to \$226 million. The California Energy Commission also made certain to include the state required public input when determining the program guidelines for the awarding of grants. It ensured that funds were distributed transparently, accountably and equitably.

CONCLUSION

The Recovery Act has provided individuals, businesses, non-profits and local governments important financial benefits and opportunities. The Task Force will remain ever-vigilant to ensure spending is done efficiently and quickly without sacrificing accountability and transparency.

Thank you for inviting me here and I would be happy to answer any questions you have.